WEEKLY ECONOMIC REVIEW

November 23, 2007

Alberta's 12-month inflation rate was 5% in October, up 0.4 percentage points from the annual rate in September. Much of the growth in Alberta's inflation rate was attributed to shelter costs; especially property taxes which saw its annual increase come through in October. Natural gas prices also rebounded in October (+16%) following a 28% decline in September. Canada's inflation rate was 2.4% in October, 0.1 percentage points lower than the previous month. Lower prices for vehicles were a major factor in the decline, while housing costs and gasoline prices exerted upward pressure on inflation.

The ban on exports of older Canadian cattle to the U.S. was lifted this week. Canadian exports had been restricted for more than four years because of the discovery of mad-cow disease in Canada in 2003. This is estimated to have cost Canadian ranchers more than $1.7 billion. Few Alberta ranchers took advantage of the reopening though, citing concerns about legal challenges to the opening in the U.S. and the strong Canadian dollar.

Wholesale trade in Alberta rose for the fourth straight month this September, increasing 1.8%. Compared to September 2006, sales were up 7.6%. Wholesale trade for the entire country was higher than most economists expected, growing 1.1% from August.

Alberta's retail sales dropped for the third month in row, falling 1.0% in September. Compared to September 2006, retail sales in Alberta were up 7.1%. Canadian retail sales were below the expectations of many observers, dropping 0.2%.

Cdn Dollar (US¢/CS)

November 23, 2007	101.2
November 16, 2007	102.8
2007-08 YTD	95.7

WTI Oil US$/bbl

November 22, 2007	$ 96.52
November 15, 2007	$ 93.43
2007-08 YTD	$ 74.56

Nymex Natural Gas CS/MMBtu *

November Contract

November 23, 2007	$ 7.59
November 16, 2007	$ 7.64

*Estimate based on Nymex Futures Market Price

Canadians continued to take advantage of the strong loonie in September, as trips into the U.S. were up an impressive 11.6% compared the same period in 2006. Conversely, travel by Americans to Canada was down 7.9%.

Falling inflation, weak retail sales and comments by Bank of Canada Governor David Dodge have lead to growing speculation that an interest cut may be in the near future. December 4th is the Bank's next interest rate meeting. This has weighed down the loonie.

U.S. housing starts were surprisingly strong in October, climbing 3.0% from September. Still, starts are down 16.4% from October 2006.

A declining U.S. dollar and supply worries helped drive oil to a new intra-day record on Tuesday of $99.29.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Consumer Price Index	**October**			
Alberta	111.6	-0.3%	2.4%	2.1%
Canada	118.6	-0.7%	5.0%	5.0%
Wholesale Trade (millions)[2]	**September**			
Alberta	$5,650	1.8%	7.6%	5.9%
Canada	$43,650	1.1%	5.2%	5.0%
Retail Trade (millions)[2]	**September**			
Alberta	$5,097	-1.0%	7.1%	9.9%
Canada	$34,442	-0.2%	5.4%	5.7%

Source: Statistics Canada [1]Year-to-date 2007 compared to the same period in 2006 [2] seasonally adjusted

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